

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend the Code of Virginia by adding a section numbered 58.1-341.2, relating to notification*
3 *of tax return data breach.*

[S 271]

Approved

6 **Be it enacted by the General Assembly of Virginia:**7 **1. That the Code of Virginia is amended by adding a section numbered 58.1-341.2 as follows:**8 **§ 58.1-341.2. Returns of individuals; notification of tax return data breach.**9 **A. As used in this section:**10 *"Income tax return preparer" has the same meaning as in § 58.1-302.*

11 *"Return information" means a taxpayer's identity and the nature, source, or amount of his income,*
12 *payments, receipts, deductions, exemptions, credits, assets, liabilities, net worth, tax liability, tax*
13 *withheld, assessments, or tax payments. "Return information" does not include information that is*
14 *lawfully obtained from publicly available information or from federal, state, or local government records*
15 *lawfully made available to the general public.*

16 *"Signing income tax return preparer" means an income tax return preparer who has the primary*
17 *responsibility for the overall substantive accuracy of the preparation of a return or claim for refund.*

18 *"Taxpayer identity" means the name of a person with respect to whom a return is to be filed and his*
19 *taxpayer identification number as defined in 26 U.S.C. § 6109.*

20 *B. 1. Any signing income tax return preparer who prepares Virginia individual income tax returns*
21 *during a calendar year shall notify the Department without unreasonable delay after the discovery or*
22 *notification of unauthorized access and acquisition of unencrypted and unredacted return information*
23 *that compromises the confidentiality of such information maintained by such signing income tax return*
24 *preparer and that creates a reasonable belief that an unencrypted and unredacted version of such*
25 *information was accessed and acquired by an unauthorized person and that causes, or such preparer*
26 *reasonably believes has caused or will cause, identity theft or other fraud.*

27 *2. Such signing income tax return preparer shall provide the Department with the name and*
28 *taxpayer identification number of any taxpayer that may be affected by a compromise in confidentiality*
29 *that requires notification pursuant to subdivision 1, as well as the name of the signing income tax return*
30 *preparer, his preparer tax identification number, and such other information as the Department may*
31 *prescribe.*

32 *C. An income tax return preparer shall complete the notice required by this section on behalf of any*
33 *of its employees who are signing income tax preparers and who would otherwise be required to notify*
34 *the Department pursuant to subsection B.*

ENROLLED

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